

DEPARTMENT of ENVIRONMENT and NATURAL RESOURCES Minerals & Mining Program - Oil & Gas Section 2000 West Main, Suite #1, Rapid City, SD 57702-2493 Telephone: 605-394-2229, FAX: 605-394-5317

FORM 2 RECEIVED NOV 2 1 2006

DEPT OF ENVIRONMENT & NATURAL RESOURCES - RCRO

## APPLICATION FOR PERMIT TO DRILL

Type of work:  Drill New Well	हा ध्री Drift Direct	ional Well	Type of well: ✓ Oil Well	Gas Well	Injection
Other SOUTH OFFIN			Other		
Type of work:  Drill New Well  Other  Other  Other  Other  Name and Address of Surface Owner:  Type of well:  Oil Well  Oil Well  Other  Telephone  (580) 233-8955  Name and Address of Surface Owner:					
Clarkson & Company P.O. Box 184, Buffalo, SD 57720					
Name and Address of Drilling Contractor and Rig Number:  J&R Well Service 791 Land 9, Powell, WY 82435					
Surface Location of well: Qtr-Qtr, Sec, Twp, Rge, County, feet from nearest lines of section, and latitude and longitude (if available):					
SHL 660' FSL & 1980' FEL, SWSE, Sec 7-21N-4E					
If Directional, top of pay and bottom hole location from nearest lines of section: #1 2250' FSL & 350' FEL, NESE, Sec 7-21N-4E #2 450' FSL & 1000' FWL, SWSW, Sec 7-21N-4E					
Acres in Spacing (Drilling) Unit Description of Spacing Unit					
7675.65 Buffalo Red River Unit					
Well Name and Number			Proposed Depth a	nd Formation	
BRRU 34-7H	3098' GL	Buffalo		#1 10,900'MD/#2 10,900' MD Red River "B"	
Size of Hole 1) 12 1/4 2) 7 7/8 3) 4) Size of Casing 8 5/8 4 1/2	Weight per Foot 24 11.6 & 13.5	Depth 1524' 8622'	Cementing Program ( 780 sks 1150 sks DV @ 5846'		, .
Describe Proposed Operations (Clearly State all Pertinent Details, and Give Pertinent Dates, Including Estimated Date of Starting any Proposed Work). Use additional page(s) if appropriate.  Well laterals will be drilled out of existing 4 1/2" casing by cutting a northwest facing window at least 10' below the Gunton formation located at 8439-8480', landing in the Red River "B" porosity at 8593-8606'. Out of this window one lateral will turn to the northeast and one to the southwest to the bottom hole locations as shown on the attached maps. We will be using closed circulating system with cuttings being hauled to a state approved facility. No pit liner will be used.					
I hereby certify that the foregoing as to any work or operation performed is a true and correct report of such work or operation.					
Blecky Mane Signature	Becky Barnes Regula Name (Print)			tory Comp Title	1 <u>1/16</u> /2006 Date
FOR OFFICE USE ONLY					
Approved By:					